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# BRITISH INFORMATION SERVICES

AN AGENCY OF THE BRITISH GOVERNMENT

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## REFERENCE DIVISION

November 1955

Supplement to I.D. 1175  
(Revised)

### TAX STRUCTURE IN BRITAIN

#### Changes Announced in Budget of October 26, 1955

#### I. DISTRIBUTED PROFITS TAX ON CORPORATIONS

Increased from  $22\frac{1}{2}$  per cent to  $27\frac{1}{2}$  per cent as from November 1, 1955. The rates of tax (income tax and profits taxes) paid by a corporation now range from 45 per cent (unchanged) to 61.67 per cent (59.2 per cent previously), according to the proportion of profits distributed. (See page 5 of I.D. 1175).

#### 2. PURCHASE TAX

The three rates of purchase tax, 25 per cent, 50 per cent, and 75 per cent, have been increased by one-fifth to 30 per cent, 60 per cent, and 90 per cent respectively effective October 27th., 1955.

The "D" scheme on such goods as wearing apparel, soft furnishings, footwear and furniture (which taxed these goods at the rate of either 25 per cent or 50 per cent on the amount by which their price exceeded a certain amount) is abolished. The goods will be taxed in future at either 5 per cent or 10 per cent of the total price. (See page 6 of I.D. 1175).

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